

**IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF TENNESSEE
NASHVILLE DIVISION**

CAPSTAR FINANCIAL HOLDINGS, INC.,

Plaintiff,

v.

**GAYLON M. LAWRENCE and THE LAWRENCE
GROUP,**

Defendants.

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) **Civil Action No. 3:17-cv-01421**
) **Judge Aleta A. Trauger**
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DEFENDANTS' MOTION TO DISMISS

Defendants Gaylon M. Lawrence, Jr. ("Mr. Lawrence") and The Lawrence Group¹ (collectively "Defendants"), pursuant to Rule 12(b)(6) of the Federal Rules of Civil Procedure, hereby move to dismiss CapStar Financial Holdings, Inc.'s ("CapStar") Complaint for failure to state a claim upon which relief can be granted. In support, Defendants state as follows:

1. CapStar's Complaint fails to state a claim upon which relief can be granted under Section 13(d) of the Securities and Exchange Act of 1934. First, Mr. Lawrence's Schedule 13D filings were complete and accurate, both with regard to his intentions regarding potential future purchases of CapStar stock and his intentions regarding exercising his rights as a shareholder. Thus, as a matter of law, he did not mislead the marketplace and did not violate Section 13(d). Second, CapStar's Complaint fails to state a claim because the law does not provide CapStar with a private right of action for the bulk of the injunctive relief it seeks, *i.e.*, money damages and/or divestiture of the CapStar shares Mr. Lawrence acquired. Third, the only injunctive relief

¹ Defendant Gaylon M. Lawrence objects to the inclusion of The Lawrence Group as a separate entity or as a properly named defendant in this action.

potentially available to CapStar, *i.e.*, amendment of Mr. Lawrence's Schedule 13D, would also be futile because Mr. Lawrence's Schedule 13D filings were, and remain, accurate in satisfaction of Mr. Lawrence's disclosure obligations.

2. CapStar's Complaint also fails to state a claim upon which relief can be granted under the Change In Bank Control Act of 1978, because, under well-established Sixth Circuit precedent, CapStar has no private right of action under the Act.

3. Finally, Capstar's Complaint fails to state a claim upon which relief can be granted under Tenn. Code Ann. § 45-2-107 because the statute only applies to companies who wish to acquire, form, or control a bank. Because Mr. Lawrence owns all of the stock at issue personally, and he is not a "company" as defined by the statute, this claim also fails.

4. In support of this Motion, Defendants rely upon the previously-filed Declaration of Gaylon M. Lawrence, Jr. (ECF No. 20) and exhibits thereto, as well as their Memorandum of Law in Support of Motion to Dismiss filed contemporaneously herewith.

WHEREFORE, PREMISES CONSIDERED, Defendants Gaylon M. Lawrence, Jr. and The Lawrence Group respectfully request that the Court dismiss CapStar Financial Holdings, Inc.'s Complaint with prejudice for failure to state a claim upon which relief can be granted, and award Defendants such other and further relief as the Court deems just and appropriate.

Respectfully submitted,

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Counsel for Defendants

CERTIFICATE OF SERVICE

I hereby certify that on November 13, 2017, I electronically filed a copy of the foregoing *Motion to Dismiss* with the Clerk of the District Court using the CM/ECF system, which sent notification of such filing to all parties registered with the Court's electronic filing system.

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/s/Christopher E. Thorsen
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